

OFFICE OF FISCAL ANALYSIS

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sHB-7183

AN ACT CONCERNING THE REGULATION OF LONG-TERM CARE INSURANCE, REPORTS CONCERNING SUCH INSURANCE AND A LIMITED PERFORMANCE AUDIT OF THE CONNECTICUT PARTNERSHIP FOR LONG-TERM CARE.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Policy & Mgmt., Off.	GF - Cost	350,000	None
Auditors	GF - Cost	182,218	179,218
State Comptroller - Fringe Benefits	GF - Cost	71,494	71,494
Insurance Dept.	IF - Cost	30,000 - 50,000	None

Note: IF=Insurance Fund; GF=General Fund

Municipal Impact: None

Explanation

The bill, which makes various changes to long-term care (LTC) insurance policy rate increases and requires certain evaluations by the Insurance Department and the Office of Policy Management (OPM), results in the following costs to the state.

Section 1 results in a one-time cost to the Insurance Fund of \$30,000 to \$50,000 in FY 26 associated with hiring a contractor to complete an evaluation. The bill requires the Insurance Department to conduct an evaluation of an alternative pool for long-term care policyholders by February 1, 2026.

Section 5 results in a one-time cost of \$350,000 to OPM in FY 26 for a consultant. The bill requires OPM, through the Connecticut Partnership

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for Long-Term Care program, to review LTC insurance in the state and submit findings by February 1, 2026. OPM will require a consultant to fulfill these requirements and meet the deadline.

Section 6 requires the Auditors of Public Accounts (APA) to perform a biennial limited performance audit of the Connecticut Partnership for Long-Term Care, resulting in a cost to the state. The APA does not have the current capacity to meet the requirements of this bill and will have to hire two additional auditors for a salary and other expenses cost of \$182,218 in FY 26 and \$179,218 in FY 27, along with associated fringe benefit costs of \$71,494 per year.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to employee wage increases and inflation.